

TABOGLU, ATES & DEMIRHAN

Newsletter

CAPITAL MARKETS NEWS

- As per the declaration made to the Istanbul Stock Exchange by Dogan Holding, Dogan Holding is going to purchase all shares of Romanian company D-Yapi Real Estate Investment and Construction S.r.l. Romania, in return for Ron 13,400. Accordingly, the Company is to develop real estate projects in Romania.
- As per the dailies, Ihlas Holding has signed a memorandum of understanding with Tanami Holding Company and Azmeel International Company, which are performing activities in Saudi Arabia, regarding cooperation in residential estate, industrial construction, petrochemical industry and energy steel industry projects. In accordance with the statement made to the Istanbul Stock Exchange by Ihlas Holding, the initial step will be the incorporation of a management company and each party shall hold 33.33% stake thereof. The initial share capital amount is going to be determined later on and the final agreement will be signed on 30 March 2008, at the latest, unless otherwise agreed by the parties.
- As per the dailies, Ihlas Madencilik is going to initiate drilling and reserve determination studies in Burdur, Canakkale, Izmir, Manisa, Usak and Kizilirmaci with DMT GmbH Deutsche Montan Consulting AG. In accordance with the statement made to the Istanbul Stock Exchange by Ihlas Madencilik, the Company is also going to incorporate a company in Ghana with DMT. The share capital amount of such company will be US\$ 300 thousand and Ihlas Madencilik is going to hold 90% stake therein.
- As per Kent Gida's statement made to the Istanbul Stock Exchange, Intergum Chewing Gum Company has signed a memorandum of understanding with Kent. Accordingly, Kent will undertake distributorship of all Intergum chewing gum products in Turkey.

NEWS RE BANKING SECTOR

- Deutsche Bank, an international investment bank, has decreased the economic development estimations of Turkey due to global and domestic developments. Deutsche Bank has stated that, despite the positive developments in the bank inflation trend, there has been no developments to revise the year-end inflation estimations of 6% and therefore, the Bank has decreased the economic growth estimation, which has been declared as 5.5% for the year 2008, to 4.5%.
- According to the dailies, the number of the ATMs of Garanti Bank has increased by 38% in one year and reached to 2,008. Garanti Bank has stated that due to the extensive branch strategy, the Bank aims to reach a number of 2,500 ATMs by the end of this year.

PRIVATIZATION HIGHLIGHTS

- As per the dailies, the Privatization Administration has stated that public offering of Turk Telekom remains to be attractive and the general terms will be reviewed. The Privatization Administration stated that the public offering is planned to be finalized by May 2008.
- The 13th Chamber of the Council of State has suspended the privatization of Seydisehir Aluminum Facilities performed by the Privatization Administration in return for US\$ 305 million in July 2007.
- Ankara Metropolitan Municipality has postponed the deadline for submission of bids for the natural gas distribution tender from 26 February 2008 to 14 March 2008. Moreover; the Municipality noted that 33 domestic and foreign companies have purchased tender specifications and application documents for the privatization of natural gas distribution up to date.

Highlights

a. Capital Markets News

b. News re Banking Sector

c. Privatization Highlights

d. Energy Sector News

e. Telecommunication News

f. Other News

OTHER NEWS

- The Privatization Administration has stated that in respect of privatization of electricity distribution companies, a region in eastern or southeastern region of Turkey, together with Ankara and Sakarya, will be subject to tender.
- Standard and Poor's, an international credit rating firm, has stated that the stand-by agreement executed by Turkey and IMF will expire by the end of May 2008 and that at this stage continuance of the financial discipline will be more essential. Standard and Poor's has also stated that the current account deficit has been at high levels since year 2006.

ENERGY SECTOR NEWS

- According to the dailies, Haci Omer Sabanci Holding has made a statement to the Istanbul Stock Exchange and stated that the company has the intention to participate in a nuclear based power plant projects. The Company has been negotiating with many investors and operating companies in this respect.
- According to the dailies, Oyak Holding, which has sold Oyakbank to the Dutch ING Bank last June, will transfer its 50% stake in Turkish insurance company, Axa Oyak Holding, to Axa Group in return for US\$ 525 million. As per the statement given by the general management of Oyak Holding, it is expected that such transfer, which is subject to the permission of the Treasury, will be realized early in spring 2008. Upon completion of the transfer, Axa Oyak and its subsidiaries shall not be allowed to use "Oyak" name and brand.
- As per the dailies, an electric company TGR, the subsidiary of Russian RAO, has applied to the Energy Market Regulatory Authority for the importation of electricity with 75 MW installed capacity to Turkey through the electric power transmission line between Turkey and Georgia. Upon the request of the Russian company, the Energy Market Regulatory Authority has published an announcement for the application of the other companies that intend to import through such line. According to the announcement, the companies, which have wholesale licence and intend to import electricity through Georgia, have to apply to the Energy Market Regulatory Authority until 18 February 2008.
- According to the dailies, Turkey and the Gulf Cooperation Council will meet on 26-27 February 2008 in Doha, Qatar for the third round on free trade agreement. The two preceding rounds in 2005 and 2006 were inconclusive due to the delays in reaching a similar deal between the Council and the European Union.

TELECOMMUNICATIONS NEWS

- As reported in the dailies, Turkey's industrial output in 2007 has risen by 5.4%. In 2006, Turkish industrial output had grown at the rate of 5.8%. Turkish Statistical Board has also announced the Industry Production Index results for December 2007. According to the Board, output in the production industry rose by 4.8%, in the mining sector by 9.6%, and in the electric, gas and water sectors by 8.7%.
- According to the dailies, Dhanus Technologies, an Indian company, which has purchased the alternative telecommunications operator, Borusan Telekom, is planning to access the European market through Borusan Telekom. Dhanus Technologies has chosen the countries with large Turkish population, such as Germany, Holland and Austria, as the initial target.

The aim of this weekly newsletter is to highlight mainly the regulatory changes made by the Turkish Government during the relevant week. The content of this bulletin is limited to those areas Taboglu, Ates & Demirhan advises its clients. It contains a general summary of the changes and the areas it covers are broader. Thus, one should not rely on it for specific advice. For further information or advice please contact Taboglu, Ates & Demirhan, a full-service law firm based in Istanbul.

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